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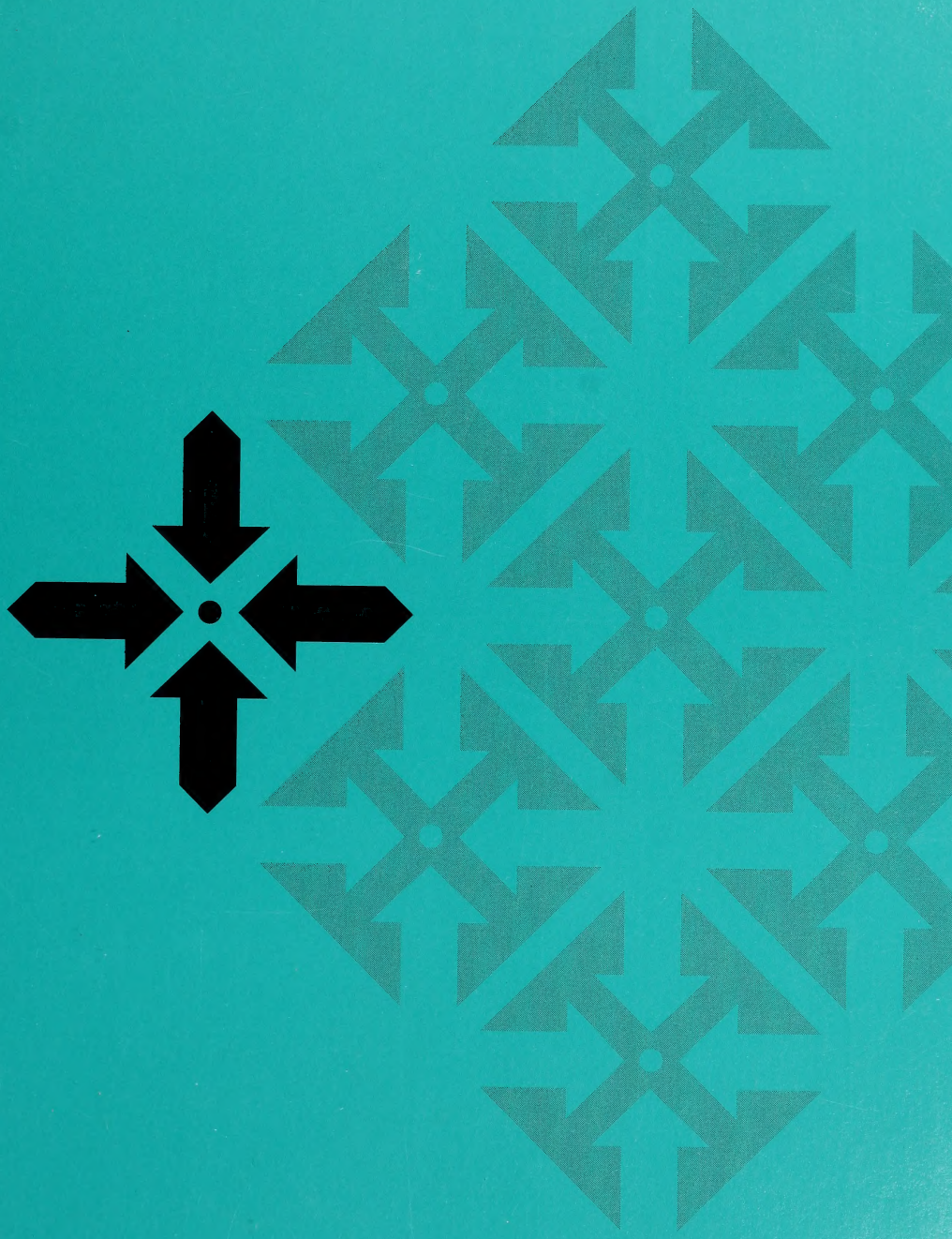
Economic
Development
And Tourism

Marketing for a Small Business

MARKETING



Alberta
ECONOMIC DEVELOPMENT
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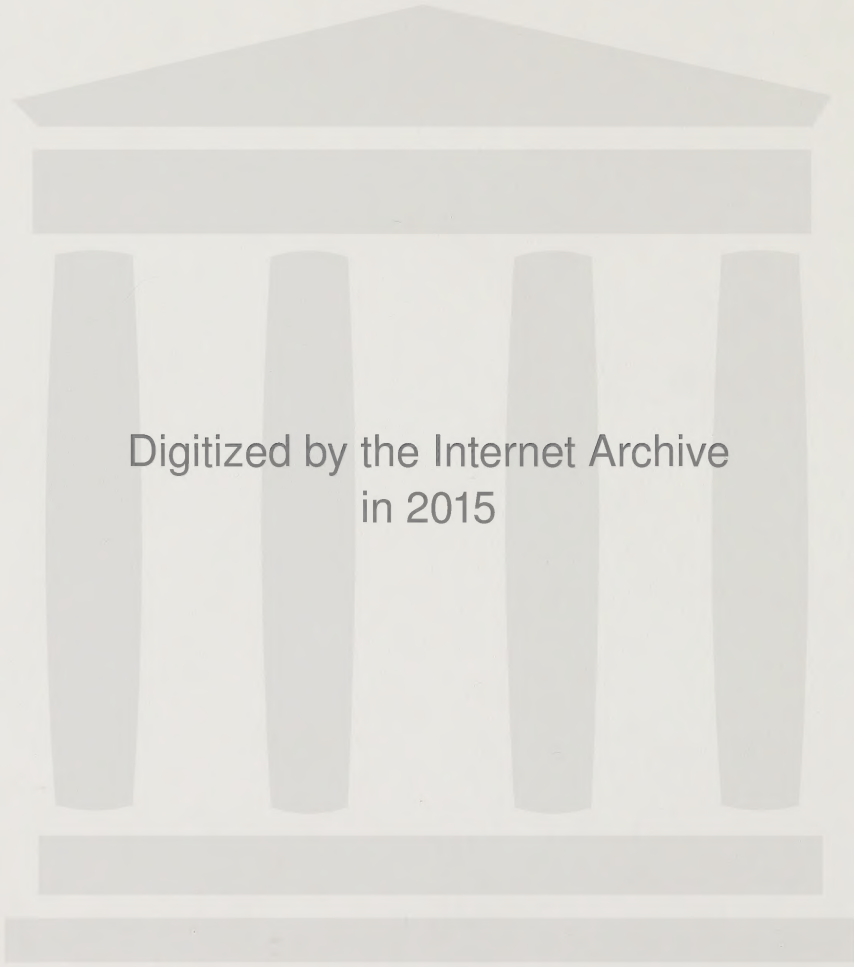
Alberta Treasury Branches
Guaranteed Financial Services

FOCUS ON BUSINESS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Marketing for a Small Business

1993 Edition

Foreword

This guide is designed to help owners of small and medium-sized businesses with the basic elements of marketing. It is neither an exhaustive review of business planning needs nor a substitute for competent advice from professional advisors.

The material is an introductory guide for current or prospective entrepreneurs. Every effort has been made to ensure the information is correct and current; however, all information is subject to change. It has been presented in a generalized form. Unique situations have not been identified. The information should therefore be used only as an introduction to the marketing needs of your business.

Depending on your situation, no action should be initiated without consulting the appropriate business management consultants, accountants, lawyers, or industrial associations. They will be able to provide the specific advice necessary for your circumstances and responsibilities.

The Business Counselling and Development Branch offers specialized professional counselling services in such areas as merchandising, marketing, financing and manufacturing. Professional counsellors located throughout the province are available to assist you with simple, straightforward advice. This service is provided at no cost to small business people who want help to help themselves.

Marketing for a Small Business is one of a series of booklets published by Alberta Economic Development and Tourism. Other booklets that may be useful are:

- *Starting a Small Business*
- *Financing a Small Business*
- *Operating a Small Retail Business*
- *Operating a Small Manufacturing Business*
- *Operating a Small Service Business*
- *Bookkeeping for a Small Business*

These publications are available at all Economic Development and Tourism offices listed in the back of this guide.

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Introduction

Success

The difference between business success and failure is **marketing**.

Every current or prospective business, small, medium or large, needs marketing. There are no exceptions. Many businesses that fail, do so because marketing has been neglected, even though the owners and managers think they are marketing.

Whether you are already in a service, retail, wholesale or manufacturing business, or you are planning to start a new business, you need to answer three basic questions:

- Where are you now?
- Where do you want to be?
- How do you get there?

This publication is designed to help you develop a marketing plan, the most important tool you can use to develop the competitive edge your business needs to survive.

What is Marketing

How can I:

- expand my business?
- keep customers and attract new ones?
- increase efficiency and profits?
- cope with change and competition?
- set up a new business?

Marketing is what you and your staff should do every day to help your customers. Marketing affects everything about your business, including your name, goals and objectives, the services or products you sell, your location, packaging, promotional activities and sales techniques. Small things like your business cards and the clothes you wear are part of your marketing. Marketing is the primary function of your business. Successful marketing puts money in the bank.

All other functions of your business - buying, bookkeeping, accounting, production, operations, transportation, employees - should work together with the marketing function.

Customers and you

Every component of your marketing strategy helps you build good relationships with your customers. If you look at everything in your business from the customer's point of view and operate accordingly, your customers will return. Give them what they want and need, good value, good service, good follow-up, and they will return. Be innovative. Your product or service may create new markets, new needs and wants. Remember the photocopier. When it was introduced, businesses didn't know they needed it. Now they can't operate without it.

Planning

Take charge of your business by being proactive. Proactive means you plan for action instead of simply reacting to customer inquiries and your competitor's moves. The whole purpose of planning is to develop your competitive edge.

Good market planning is a continuing process. Build a marketing plan for your new or existing business with the help of this publication. Each step is outlined and followed with a checklist to help you with the planning process. The time you spend developing your marketing plan can be a good investment.

"If you don't know where you're going, you'll end up somewhere else." (David Campbell)

Example

Pure Delight Pasta is a fictional company. Paul is a fictitious name. These names are used to help explain the principals and techniques of market planning for small business. Any similarity to existing businesses or people is strictly coincidental.

Paul owns the company called Pure Delight Pasta that specializes in making and selling fresh pasta, both the over the counter in a retail outlet and to restaurants. He is proud of his pasta. He makes it from an old country recipe with all natural ingredients, no additives or preservatives. His business has increased in size and he has added employees to increase production and efficiency. Paul understands that he must use marketing in his small business to increase and improve communication with his customers to serve them better, to develop his competitive advantage in order to keep the business growing.

Purpose, Values, Objectives

Step One

I. Develop A Mission Statement

Every business has a purpose. A mission statement is a simple and clear statement of purpose that helps you focus on a clear direction for your business. Your mission statement should include the following:

- The customer needs your company fills
- Individuals or businesses you serve now or want to serve
- How you serve your customers
- What business you are in

Every decision a business makes should be based on the mission statement.

Example
A mission statement for Pure Delight Pasta:

To prepare and provide the finest quality all-natural pasta products, made without additives or preservatives, to individuals, restaurants and organizations who choose to serve nutritious, delicious fresh pasta.

Write a mission statement for your company that is no more than 25 to 35 words. It is an important part of your marketing plan.

Identify your personal and business values
What values and beliefs are important to you as an individual in both your lifestyle and work? Values and beliefs come from your past and your experiences. You might value being independent, working with people, being a leader, working with your mind, or working physically. You may also value prestige, high income and achievement. Decide what is important to you in your business: good service, respect, product quality, fairness, loyalty from staff. When you have identified your personal and business values, you will have a useful framework from which to operate your company.

Set Objectives and Goals
Objectives
Objectives are the long-term results you want your company to achieve. Look one to five years into the future. Where do you want to be? What do you see? Write them down. They must be realistic, challenging and attainable.

Goals
In business, you must specify how, when and what you need to do to achieve the objectives; that is, set goals. Goals will motivate you and your employees to achieve company objectives if they are realistic, specific, measurable, consistent and time limited.

Examples of Goals

	Effective	**Not Effective**
Realistic	To increase your market share in Edmonton by 10%.	To be the leading retailer in Alberta.
Consistent	To decrease your management overhead by 20% and to increase sales personnel contact with customer to twice annually.	To decrease your management overhead and to increase your managerial contact with with customers to twice annually.
Specific	To increase your sales by 4% by year end.	To increase your sales.
Measurable	To reduce returns by 15% within six months.	To provide the highest quality products in the market.

Example

Objectives of Pure Delight Pasta

- To increase retail and restaurant sales of pasta by 10% in the next fiscal year.
- To improve customer relations with major restaurant clients through increased personal contact.
- To emphasize the competitive advantage of Pure Delight Pasta in all promotional material.

Analyze Your Business, Markets and Competition

Step Two

I. Your Business Concept

My business is:

- manufacturing
- retail/wholesale
- service

The concept is the big idea behind your business that makes you special, that gives you a distinct competitive advantage. Your business concept must be built around satisfying customer needs. That is the only reason for being in business. Profit is also one of your major goals. To develop your competitive edge and reach your goals, you should try to:

- Look at your business the way your customers do.
- Find out how your business, product or service compares to others in the overall marketplace or community (both competitors and non-competitors).
- Identify your company's operational strengths and weaknesses.

Strengths and Weaknesses
Look at how your company operates. Identify and judge its strengths and weaknesses. Strengths are your advantages. Weaknesses are disadvantages you should try to overcome. Consider the location, staff, products, facility, equipment, bookkeeping, financial situation, and all the other functions that are part of your business. Look at your financial procedures. Does your cash flow cover the bills and pay your salary? Do you get enough current information from your bookkeeping system to tell you where you stand? Do you deliver when you say you will? Where are you personally most effective: product development and packaging? sales and customer relations? dealing with professionals? technical design? ideas? What can you do to overcome weaknesses?

Example

Some of the strengths and weaknesses of Pure Delight Pasta are:

Strengths

- Our pasta products are all natural, high quality and healthy.
- We have excellent quality control for everything we manufacture because of my personal standards and good equipment.
- We have a bookkeeping information system that measures performance so we can make better decisions.

Weaknesses

- Some members of our production staff need more training.
- A salesperson would help increase and improve business.
- Sometimes delivery is later than promised.
- The market does not always know the difference between regular pasta and quality pasta, or that pasta is a healthy food and not heavy in calories.

Possible solutions for overcoming weaknesses

- Develop training programs and quality performance standards.
- Hire a salesperson who can sell and service accounts.
- Evaluate why delivery is sometimes later than promised. Where are the problems coming from? Make necessary changes.
- Develop a positioning statement to show the competitive advantages of pasta and Pure Delight Pasta products.

Features and Benefits

You may be confident in your skills and experience; you may understand what you do and how you do it. In other words you know the features of your product or service. You may not know what the customers get out of your business, or its benefits. To find out, imagine your customers asking, "What's in it for me?" or "What do I get out of it?" People buy benefits, not the product, but what the product will do for them.

Example

Features

- Our pasta is made from high protein wheat. We can serve individuals or restaurants any type of pasta they want. We sell pasta in various package sizes for our retail and restaurant customer's convenience.

Benefits

- Products from Pure Delight Pasta are better tasting because we use proven recipes from the old country, all natural ingredients, no additives and no preservatives.

Company Image and Operation

Do you know how your business relates to the others in the overall marketplace or community? How does your exterior decor compare with neighbouring businesses? Do your signs tell customers enough about your operation? Do you feel excited about how it looks and feels? Is there enough difference between your operation and your competitor's?

Beware of the "me too" attitude. If you model your company after another one, learn the good points, then improve and innovate so your operation offers more. That's the competitive edge you need.

When you have looked carefully at your strengths and weaknesses, learned what benefits your business offers to customers, and seen what your company image is, you will have a better picture of your business concept.

Now you are ready to move onto the next part of developing your marketing plan. Remember, although this process may seem like a big challenge for you, it will help you see your business from the most critical view of all, your customers'. The benefit to you: a successful, customer-driven business.

Example

Pure Delight Pasta is in the business of giving people a reliable source of healthier fresh pasta products with no preservatives or additives. Customers are really buying healthy eating, confidence, eating pleasure, peace of mind that they are feeding their children and themselves good food and convenience.

II. Your Customers: Your Target Market

A market is a group of people with:

- wants, needs, values, expectations,
- money to spend, and
- willingness to spend it.

You must know exactly who your customers are so you can give them what they want and need. This is the key to building a strong, profitable business.

People are willing to exchange their money for products and services that make them feel good about themselves, and increase their comfort, security, and/or convenience. People buy for three basic reasons:

- To satisfy basic needs
- To solve problems
- To make themselves feel good.

Differential and Positioning

People become your customers when they believe that your product or service is different and more beneficial than your competitors'. Once customers have tried your products or services, they have a perception of your company. Professional marketers have special terms for these ideas: differential and positioning. The most successful businesses know what their differential is and how their product or service is positioned compared to competing products or services in the marketplace. To be successful, you too must know your business concept and your differential and position - your marketplace advantage.

Example

Pure Delight Pasta is different from its competitors. Its differential is that it is fresh, better tasting, high quality, and made without preservatives and additives. It must be positioned in customers' minds as a consistently good-tasting, fresh, healthy pasta product.

Assumptions

Many business owners operate from the gut level or from assumptions. They have a hunch; they assume they know who their market is and how to sell to it. Assumptions can lead to wrong decisions, wrong pricing, wrong advertising, wrong sales presentations, wrong marketing.

Target markets

The most successful businesses and corporations identify specific groups of customers. Then they direct all their marketing efforts, from design and planning to advertising and promotion toward their target markets. That's why they are successful and profitable. You too, can build a stronger business by identifying and serving a specific customer group. This is your target market.

Some business owners may feel uncomfortable about the concept of targeting. They fear that they might choose the wrong target groups and perhaps lose business. Here's where the "80/20 rule" comes in: 80% of profits normally come from 20% of customers. It is a fact in business that in most markets the sales and profit come from a relatively small number of customers. Be a specialist. Serve the customers you can serve well instead of trying to be everything to everybody. Customers rely more on companies that specialize.

Example

Paul has determined who his best target markets are. Pure Delight Pasta will target 24 to 40 year old health conscious male and female vegetarians, and athletes who are the largest group of consumers buying healthier food. The company will also target restaurants, day care centres and other businesses who prefer to serve fresh pasta without additives or preservatives.

How to identify your target markets

Target market is a technical term that means your customers - groups of people with something in common who buy your products or services and who patronize your store. To build a strong, profitable company, you must identify the customers you can serve the best. No business can be all things to all people.

New and existing customers

The most successful businesses divide their existing or prospective market area into pieces or segments based on who will use their product/service and why. A further breakdown can be done according to income, age, lifestyle, family stage, education and attitude. This is called segmenting the market according to benefits, demographics and psychographics. With this information, you can begin to build customer profile(s).

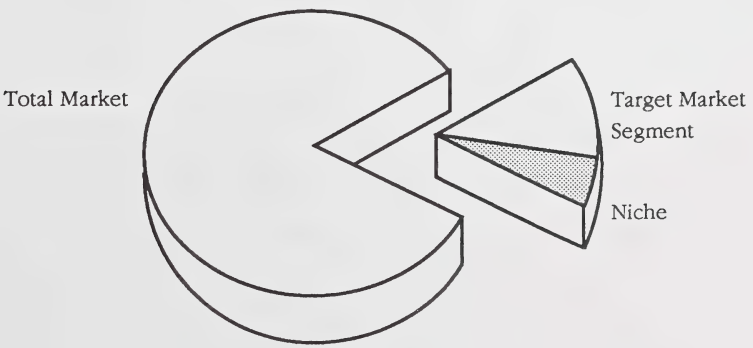
Building your customer profile:

Start with a wide market and begin to narrow it down to specific groups of customers. This is a creative process. Don't make judgements about any groups at first.

1. Segment

Divide potential markets into segments of customers with similar characteristics.

The most common factors to look at when segmenting the market are:



Benefits
Divide the market into segments based on the benefits people want and can get from your product/service. Ask yourself: Who is going to use my product/service? Why? Your customers want to feel and look good. Do they also want convenience, high quality, easy access, fast delivery?

Demographics
Divide the market into segments based on:
1. Age: children, teens, young, middle, elderly
2. Gender: male, female
3. Education: high school, college, university
4. Income: low, medium, high
5. Marital status: single, married, divorced
6. Ethnic and religious background
7. Family Life Cycle: newly married, married for 10 to 20 years, with or without children

Psychographics
Divide the market into segments based on:
1. Lifestyle: conservative, exciting, trendy, economical;
2. Social class: lower, middle, upper;
3. Opinion: easily lead, opinionated;
4. Activities and interests: sports, physical fitness, shopping, books;
5. Attitudes and beliefs: environmentalist, security conscious.

Business Customers
If other businesses are your customers, also consider:

Demographic and financial information: type of industry, number of employees, annual sales volume and location.

How they prefer to do business: buying volume, seasonal buying patterns, purchase orders and decision-making.

2. Match
Match your product or service to the segment of the population that wants or needs them the most. They are your target market. Remember you may share this target market with competitors.

3. Identify a niche
Think small to win. A niche is an even smaller segment of the market. Identifying a niche means serving your customers in a way no one else can or has. When you have identified your market niche, you can direct your marketing strategies to reaching those specific people. But remember, your market niche has to be big enough to support your business.

Example
Pure Delight Pasta is serving a niche by manufacturing fresh, all natural pasta products and selling them to individuals and restaurants who prefer fresh products.

Sometimes prospective customers cannot or do not tell the difference between your company and others. You must prove to them that your business, product or service is better, or you'll lose valuable opportunities. This is especially important in your promotions. Everything starts with knowing your best customers. You can't be all things to all people. Knowing who your customers are is the key to your success!

III. Your Competition

Recognize who the active competitors are for your product or service. Then identify and learn as much as possible about them. You can never analyze your customers without analysing your competition. They go together.

You need information to react effectively and quickly to whatever your competitors are doing. You need to know about their selling activities and movement in the marketplace. It's important to assess their challenge to your business. Find out as much as you can about proposed and rumoured competitors. Four reliable ways to learn about your competitors are:

1. Keep a competitor's file that contains ads, articles, brochures, newsletters and other information about them.
2. Read newspaper ads and articles: read local papers often and scan classified ads.
3. Check the Yellow Pages: they are an excellent source of basic knowledge and image on competitors.
4. Shop the competition.

Remember your competitors will react to your advertising or changes in your product or service, too. To do better than your competitors, you must develop a better marketing plan with strategies in place so you can take action. Build strategies on your strengths against competitor's weaknesses.

Competition Matrix

Company Name: _____

Address: _____

Phone: _____

Owner: _____

Marketing Factor	Rating	Comments
1. Sales		
2. Financial status		
3. Profitability		
4. Consumer loyalty		
5. Product quality		
6. Sales force		
7. Distribution		
8. Advertising		
9. Key managerial personnel		
10. Pricing policies/procedures		
11. Services/warranties		
12. Future market strength		

Information can also show you how you can create another niche, serve a new group of customers and increase business profits. Every business has direct and indirect competition. For Example, even though The Canadian Football League is the only one in Canada, it competes with other forms of entertainment.

Example

Pure Delight Pasta has both direct and indirect competitors.

Direct

- Local fresh pasta producers
- Brand name dry pasta manufacturers

Indirect

- Rice, potatoes, fries
- Vegetarian food producers

Paul and his staff keep files on competitors to stay up-to-date on what they are doing.

In business, what you don't know will hurt you.

IV. Market Research

Ongoing market research answers your questions. It is an **essential** part of marketing for a small business. It should be done both before a business commences and frequently during the life of a business.

Who Who is buying your products; who will buy your products; where do they come from; what do they like; have they changed? How will they change in the next few years? Who are your competitors?

What What benefits are you selling: convenience, a specialized service, a product?

Where Where do customers do business with your company: on your premises or through approved outlets?

When When do they buy your product or service?

Why Why do customers buy your product or services?

If you don't know the answers to these questions, it's almost impossible to make the right decisions for your company. Market research is not something only big business can afford.

How to do market research

Market research, like your other business activities, should be organized and planned.

Step 1 - What problem are you trying to deal with?

Identify the specific problem or situation your company is facing.

Step 2 - What is the purpose of the research?

The purpose is to take action that will help you come up with solutions and make decisions.

Step 3 - What are your objectives?
Determine your market research objectives. What decisions do you want to make from the information and knowledge you will get?

Objectives may be to:

- Identify or verify target markets
- Identify competitors' weaknesses
- Identify or verify customer needs and tastes
- Identify how your business is perceived
- Find new opportunities and new markets
- Estimate the size of markets
- Find out why sales are down
- Learn who and what your competitors are

Step 4 - Choose the method, time and budget
Before you can do market research, determine what the best method will be (reading information, surveys, etc.), how much time you and your assistants or colleagues will regularly spend on it, and how much of your budget you can allow for it. Most successful companies schedule market research as part of their operation and they set aside a certain percentage of their budget for it. Special research, however, is often done before major marketing decisions are made or after an advertising campaign, to measure results.

Step 5 - Collect information
Research does not have to be expensive. Your own records are a reliable source of information. Ask your present and potential customers how you can serve them (meet their needs) better, what you can change or add to make them happier. Go to sources outside your business. As you ask questions, be aware that sometimes people will say what they think you want to hear.

Step 6 - Analyze information
Look at all the information you have collected. Does it answer the questions who, what, where, when and why? What else do you need to know? Based on this knowledge can you make your decisions? Be on guard against making conclusions immediately. Information from every source should be compared. You may find contradictions in the material or may want to follow up more closely on some information.

Step 7 - Make conclusions
When you have considered and compared the information, decide whether or not it relates to your objectives. Make decisions based on what you have learned.

Sources of information

Secondary data:	**Primary data:**
Internal information	Telephone interviews
Government publications	Personal interviews
Trade associations	Mail questionnaires
Statistics Canada	Focus group interviews
Competitors' literature	Observations of consumers
Suppliers	Test marketing
Private and public institutions	Consumer panels
Annual reports	Surveys
Applications	
Research films	
Libraries	

Several research methods may be used, depending on your market research objectives. Using a variety of methods will usually give you the most complete picture.

1. Surveys

Surveys are usually directed at the people you want to find out about - your target market. Ask your customers for information about themselves and how your business can meet their needs.

If you have thousands of potential customers you cannot question every one of them, so you will take a random sample. For Example, choose names from the telephone directory from a specific area. Professional researchers have shown that by asking questions of a few people from a group, you will generally find out what all of them want, think, or do. Responses will vary, of course, depending on individual personalities, but you can get an average response that will generally be true of the entire group. Do not include your employees, family or friends as part of your random sample, to maintain objectivity.

Types of surveys

Three types of surveys are common: personal interviews, telephone surveys and mail questionnaires. Personal interviews are the most effective. Both telephone surveys and mail questionnaires are less expensive than doing personal interviews, but at the rate of return of completed questionnaires is low, often 3 to 15 per cent, because privacy is becoming very important. One way to do surveys is to use a combination of all three, depending on your time and budget. The accuracy of your survey is dependent upon the size of your sample and the way it is conducted. Depending on the circumstances you may require 200 - 350 completed questionnaires to get a fairly accurate survey.

Designing a survey

Surveys and questionnaires are important market research tools. It is very important that you survey the proper neighbourhoods, groups and regions. You can design and use them yourself, or hire a market research company to do the work for you.

Designing a survey can be challenging. The most effective questions:

- Use common words
- Make sense
- Are clear, concise and relatively short
- Are not leading

The questionnaire should not ask biased or leading questions. Questions of a personal nature (age, income, occupation, marital status) should be positioned toward the end of the questionnaire to avoid offending the respondent. Be specific if you are asking about behaviour.

2. Focus Groups
Focus groups are group interviews of about two hours. They are conducted by an experienced moderator who asks planned and related questions. Focus groups usually consist of six to twelve people who have been invited to discuss certain products or services. Focus groups often give a better reading of indepth feelings. The people who attend often receive a free sample or gift coupon.

3. Test Marketing
Test marketing is a powerful research tool used by manufacturers. It often determines the market potential of the product, how consumers and dealers react to handling and using it, and whether they will buy it. Test marketing helps the company and manufacturer decide what changes should be made before going into full production and distribution.

Example

Paul hands out survey questionnaires to his customers on a regular basis. Some of the questions are:

What do you like about this pasta?
Why did you start buying this pasta?
How did you find out about Pure Delight Pasta?
How many times a week do you use:
__ fresh pasta __ rice
__ potatoes __ other carbohydrates

His survey also asks customers what age category they are in, whether they are students, employed or unemployed, male or female, and what range of income they earn.

V. The Marketing Plan Checklist

1. What business(s) are you really in? What are your customers really buying?

2. What do you do best?

3. What are the benefits of your products or services? Why should customers buy them?

4. What are the main products or services you offer? What are the features of each?

5. What are your business strengths and weaknesses?
Is your operation profitable?

What are your management strengths?

Are you using up-to-date technology?

Do you provide good service?

Do you provide after-sale service?

How good are you at building and maintaining relationships?

6. Identify the customers and/or users (your target market) who want and need your products and services. Are your target markets consumers or other businesses?

If they are other businesses:
What do they produce or sell?

Who is the contact?

How are they being serviced now?

What is their history?

If your target markets are consumers:
What are their ages, gender, earnings, education and lifestyle, etc.
(See page 9 "Segment your market").

7. List 5 characteristics that your present customers have in common with each other.

8. What is your share of the market?

9. What are your business resources?
Financial resources (bank lines of credit)

Physical resources

Staff

Contacts

Suppliers

10. Who is your major competition?

What can they do better than you?

Where are they located?

What products and/or services do they offer?

What is their reputation, their *position* in the minds of customers?

Are they introducing products or offering a new twist to their services?

How competitive are they with new technology?

What are their weaknesses, their attitudes?

Who is doing well? Who is not doing so well?

Any proposed or rumoured addition of competitors?
Proposed concept, opening date, location?

Have you considered indirect competition?

11. What is your mission statement? (25 to 35 words)

12. What are your objectives and goals?

Strategic Market Planning

Step Three

I. Strategies and Tactics

Strategies and tactics are the planned actions you and your company are going to take to meet your objectives and goals (see page 3). You must have strategies for operations, pricing and promotion in your marketing plan. These strategies will be used to convince consumers that your company, product or service is better than your competitors'. Then you can figure out tactics that will help you reach your objectives.

Become flexible enough to respond quickly to changes in customer requirements, market needs and the economy. You, the decision-maker in your company, have close contact with customers and can recognize the need for change and act quickly to adjust your strategies and tactics as needed.

The following are examples of objectives, strategies and tactics. Adapt them for your marketing plan, expand as required.

Objectives	Strategies	Tactics
1. Develop the market	1. Create demand for a new product, service or business	1. Advertise, publicize
2. Increase market share	2. Evaluate present products, prices, location	2. Lower prices add products add personnel increase advertising
3. Add new products to the line	3. Invest in developing and manufacturing new products	3. Do market research; consider resources
4. Become more efficient customers wants	4. Cut back to most profitable target markets	4. Identify and focus oncustomers needs and wants
5. Maintain market share	5. Continue assessing market trends and competition	5. Do trend, competition customer research
Sample Financial Objectives	**Strategies**	**Tactics**
6. Survival	6. Meet competition goverment changes	6. Research changes in competitors' advertising and tactics; be aware of changes to tax laws regulations
Sample Production Objectives	**Strategies**	**Tactics**
7. Improve operating efficiency	7. Add technology	7. Improve physical plants equipment or processes
8. Improve technology	8. Add new systems	8. Add new patterns of work flow inventory control, staff training

Example
Pure Delight Pasta's objectives, strategies and tactics.

Objectives	Strategies	Tactics
1. Increase retail and restaurant sales of pasta	1. Sales promotions Advertising	1. Coupons in each package, package, newspaper ads, gift certificates as prizes on radio
2. Improve customer relations with clients through	2. Add sales-service person	2. Hire and train with pre-established with pre-established service standards

II. The Marketing Mix

Marketing today is made up of more than just advertising. The marketing mix is a tool used by people in business to help them organize their business into manageable functions and to develop strategies for each. Following is a breakdown of some of the components of the marketing mix and suggestions for each.

Product
Your product is whatever you decide to sell to your target market. It may be a manufactured item, your personal or professional service, or a variety of items that you resell in a retail or wholesale outlet. It is critical that you develop your product to meet the needs of your target market.

Analyze your product's advantages and disadvantages. Take action to improve it.

Compare your product to your competitions' products and apply that knowledge to your marketing plan and strategies.

Location
The location of a company is often one of the most important components of the marketing mix. It should be convenient, accessible to clients, customers and staff. It should fill your business needs and be affordable. For more specific information see *Step Six* Marketing: manufacturing, retail, service and new business.

Physical presentation
Physical presentation can include a wide variety of components: packaging, cleanliness, displays, furniture, a friendly voice on the telephone, employee attitudes. For more specific information see *Step Six* Marketing: manufacturing, retail, service and new business.

Image
Your image is what people expect or their perception of your company, product or service. Structuring the right image for your company, product or service in the market affects other aspects of your marketing strategy. A positive image builds up gradually. A negative image can hit fast. Negative publicity or poor service can create a bad image and destroy your market position. Check out your company's overall image regularly and make improvements.

Factors that influence image:

a) Your store or office lay out, display, location, size, entrance and parking
b) Appearance and attitude of your staff
c) Packaging of your products
d) Price of your product or service
e) Attitude and voice of telephone contacts
f) Quality, appearance and suitability of your stationery, invoice, envelopes, business cards and logos
g) Quality of your service, delivery and after sales service
h) Advertising and promotional program
i) Publicity you get from the news media.

What does each say about your business? The image should be consistent and fit your target market niche.

Positioning
Positioning means that special place your company and specific products holds in the minds of the consumers. The position depends on the differential, what makes your operation different or more beneficial than your competitors (page 8).

People
Identify who the active people in your business are. Customers are the most obvious participants because they respond to your marketing and buy what you are selling. However, your staff members are also active participants in your business. Every contact they have with prospective customers has an impact on your business, whether positive or negative. Marketing your company successfully also means marketing your staff. Show them how important they are, and encourage their active input into decision making and problem solving. Your employees are one of your most important assets.

Customer service
Ongoing customer service is an important function of marketing. Customer service includes follow-up services such as regular phone calls to check on their satisfaction, added value such as a warranty and convenient repair service. Your customers will appreciate your product or service even more when they see how concerned you are about their satisfaction.

Packaging
Packaging is part of the marketing mix because the way in which a product is presented to your customers will influence their buying decisions. This is true for all types of businesses.

Pricing
An important part of your market strategy is your pricing policy. Prices charged for products, merchandise or services will have a big effect on sales volume and business image. Above all, pricing must cover all costs of doing business, including transportation costs. A systematic approach to settling market-based prices is the best way to build a successful business.

Set your pricing by following these four steps:

Step 1. Define your pricing objectives
Tie these to your overall business and marketing goals. Pricing objectives often include keeping or building your market share, increasing profits or return on investment, meeting or preventing competition, introducing new products, increasing sales or all of these.

Step 2. Establish price ranges
Consider three questions when setting your price ranges.

1. What is your break-even point, when revenue equals expenses? You must always meet your expenses (break-even) before you can make a profit. Given your sales forecasts and current prices, can you reach the break-even point? Can you exceed it?

2. What are your profit goals? If you can't reach the profit goals with your present prices and sales forecasts, rethink your strategies or market more aggressively.

3. Learn how your customers and prospective customers feel about (perceive) your products or services. How does the product compare in value with competitive products? This information will help you establish the upper limit of your price range or "what the market will bear."

Your accountant or financial advisor is an excellent resource to help you with the complicated process of setting price ranges.

Step 3. Know your competition
Since your products or services are competing in the market place, you must know what the competition is doing before you set the best pricing policy. You must also know how your product stands in relation to competitive products (your marketing positioning).

Step 4. Choose a suitable pricing strategy
Every industry has a favourite pricing strategy. Use your market research to determine what your industry pattern is and follow it as a guide. Decide the best pricing strategies for your business. However, your pricing strategies must reflect your company's profit goals and cost structures, not your competitors'.

The most common pricing strategies are:

1. Competitive pricing. If your product or service is competing with other comparable products or services on the market, your price should match the market price.

2. Market penetration. Set a low price to create customer excitement and demand for your product or service. This method may also discourage potential competition.

3. Skim-the-cream off the market. This means setting a high price. However, this method works only if your product or service is innovative, in demand, has little competition, or satisfies a niche market.

Marketing is not a single function. It encompasses your entire business.

III. Strategies and Tactics Checklist

1. Review your objectives and goals.
   What specific objectives do you want to reach first, second, third and so on?

   _____

   _____

   _____

   _____

2. What specific strategies (ideas how to get there) will work to reach each objective?

   _____

   _____

   _____

   _____

3. What specific tactics (concrete activities) will help you reach each objective?

4. What changes need to be made to objectives and goals? When will you make the changes?

IV. The Marketing Mix Checklist

1. What improvements can you make in your product and/or service immediately? In the long term?

2. How does the site and location affect your business? What are the advantages/disadvantages of this location, building, surroundings?

3. What are the strengths and weaknesses of the physical presentation of your product, service, business?

4. What image or perception does the public have of your company, product or service? What position does it hold in the minds of customers?

5. What makes your product or service different from your competitors'?

6. How do you and your company respond to changes in customer requirements, market needs and the economy? Quickly? Slowly? Not at all? How flexible are you? Your policies? Your employees?

7. Who are active people in your business? Staff? Customers? Management?

8. How important is customer service in your business? What follow-up services do you offer? How successful are they?

9. What is your pricing policy?

Have you determined how pricing affects your sales/volume goals?

Do your prices cover all costs (service, product, overhead, profit)?

How do your prices compare with competitors prices?

What About Promotion?

Step Four

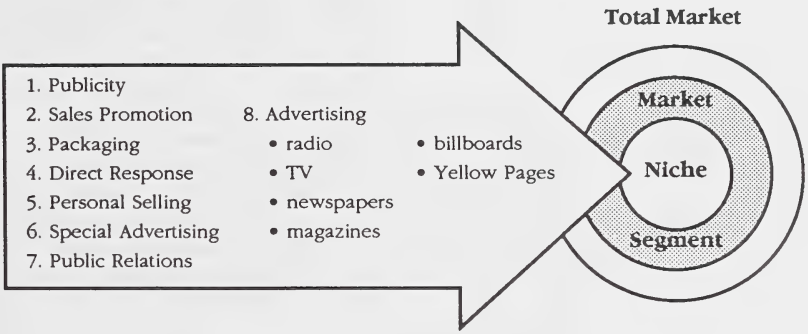
How can I:

- get the right message to the right people at the right time?
- decide on advertising?
- get the best value for my promotional dollar?
- judge my advertising methods?

I. Promotions and Advertising

Promotions such as advertising are your way of communicating your message to your target markets. How and where to promote your company, product or service are important decisions that involve your budget, time, image and survival. Some businesses hire professionals to coordinate all parts of the promotional and advertising budget and delivery.

The Promotional Mix



Customer relationships

Successful businesses are built on good relationships between the company and the customers, whether individuals or other businesses. This is where an important marketing concept called "perception" comes in. People hear what they want to hear, see what they expect to see, and perceive what they need to perceive based on their own background and knowledge. Choosing the right promotions and advertising are vital to building good relationships.

Decisions

Before you make any decisions about what to do for promotion and advertising, you must know **how** to do it.
Here's how:

1. ***Determine your goals and objectives.***
   Decide what your goals and objectives are for promotion and advertising. Do you want to sell more to present customers, take advantage of a new market, change your business image, expand, increase sales of specific products or services, announce a new project, service or location, or identify your community role?

2. ***Set a promotion budget.***
   Promotion is a cost of doing business. Build it in like any other cost or payment, and be prepared to change it.

3. ***Choose methods of promotions.***
   Promotions are simply communication. Decide what methods or channels you think will communicate the best.

4. ***Make an action plan and timeline.***
   Through your market research, you have probably recognized how certain types of advertising and sales promotions are effective for similar businesses. You know the peak periods of business activity and that you want to capitalize on them. Plan what you intend to do. Buy a large calendar and block off essential advertising times. Advertising should be ongoing rather than occasional.

5. ***Manage your promotional activities.***
   Once your plan is known, you must manage every part of it so it will be effective. Resist the urge to cut your promotional budget in response to market slow down. Advertising and sales promotion are essential if you want to maintain your market position and make sales. You may decide to assign advertising to another member of your staff. If so, be sure you share the same vision.

II. Promotional Channels

The promotional mix for your company will be made up of various promotional channels such as the ones on this list.

Paid advertising:

Radio
Television
Print
- Newspapers
- Magazines
- Free or classified magazines
- Yellow Pages
- Special Directories
- Trade or industry publications

Outdoor billboards
Transit posters
Entertainment
Exhibits

Personal selling:

Personal letters
Presentation materials
Proposals
Sales training
Incentives
Samples

Sales promotions:
Discounts
Loss leaders
Coupons
Contests
Trade shows

Direct mail:
Letters
Newsletters
Sales or product announcements
Postcards
Brochures

Specialty advertising:
Matchbooks
Pens
Novelties
Gifts

Publicity/public relations:
News releases
Open houses
Speaking engagements
Interview shows
Seminars
Club memberships
Community activities

Facilities:
Site location and appearance
- Exterior and interior signage
- Displays
- Point of purchase displays
- Lighting

Telemarketing:
Inquiry handling
Direct marketing by phone
Service: customer complaints, follow-up, special offers

Corporate:
Stationery
Packaging
Vehicles
Signs
Business cards

Selecting your promotional mix
Decide which promotional mix will best serve your business. Answer the following questions:

1. Which channels will reach your target market most effectively and at the least cost?

2. How much of the marketing budget can you assign to each channel and is this amount enough to get results?

3. What special features of your business will influence the effectiveness of the promotional mix? Should specialized or mass audience channels be used? Should promotions be concentrated at certain times of the day, month or year?

4. What messages should be sent to your target markets? What should be said to set you apart from the competition?

Promotional Mix

Media	Audience	Business	Advantages	Disadvantages
Television national/local	Numbers vary with time of day and nature of the show.	Products, services and retail outlets with a wide appeal.	Creative and persuasive. Large market audience, can target groups i.e. children.	Short exposure. Commonly used.
Daily newspapers	Individual communities with some overflow.	All general retail and service industries.	Flexible timing. Reaches a large audience.	Cannot pinpoint specialized markets. Can be cluttered. Has a short life.
Weekly newspaper	Usually smaller community and neighborhoods.	Retailers and services location within the community.	Good local coverage.	Must be used regularly and be well timed for good results.
Radio	Usually community and area depending on size of station.	Retail and service companies. Caters to target groups: teenagers, commuters or homemakers.	Reaches a wide market. Good for pinpointing target markets.	Somewhat limited audience.
Magazines	Varies. Business to business or consumer. National, regional, special interest coverage.	Serves known target markets. Retail, service.	Long life, shared. Aimed at special interest groups.	Long lead times in preparation.
Direct mail	Advertiser's choice. Business to business, household or consumer.	General services, retailers, wholesale, manufacturers.	Can be personalized. Flexible timing. Good targeting.	High disposal rate.
Billboard	General, drivers, passengers, pedestrians.	Adaptable to many consumer products, services & businesses.	Flexible, repeat exposure. Presents good corporate image.	Message must be short.
Transit interior & exterior	Transit passengers, pedestrians and drivers.	Adaptable to many consumer products, services & businesses.	Highly visible. Captive audience.	Exterior: short exposure.
Telephone directories, Yellow Pages, Blue Book	Special consumer groups, businesses.	Services, highly specialized retailers.	Low costs, long life, users are often potential buyers.	Restricted to active shoppers. Ad limited in size and content.
Cable community channel	Varied specific interest groups.	Small retail and service businesses with cable coverage area.	Locally oriented events and programs not covered by traditional media.	Limited audience. No statistics on viewers to measure results.

Advertising - Part of your promotional mix

Advertising is a service you buy from the media: newspapers, magazines, television, radio, outdoor and so on.

Your message must transmit:

- the **benefits** of your products or services
- to your **target market** -
- at the right **time** -
- in the right **media** -
- at the right **cost**.

Make your advertising more effective by:

1. ***Planning the advertising***
   Advertising is much more effective when it is regular and appears in more than one place. For Example, you may select to run both newspaper ads and radio commercials at the same time for better coverage. All your advertising should be written and designed with the same focus, ideas, themes and with related copy lines. You may want to consult with trained advertising people to write your sales copy and to develop print ads with appropriate artwork.

2. ***Planning every ad***
   All ads have a headline and supporting copy. The first impression your readers and viewers get depends on the headline and pictures. A good headline is informative, gets attention and encourages people to look at the rest of the advertisement. Headlines are part of your creative strategy and should stress a major benefit to the consumer. The copy reinforces the idea started in the headline and pictures. Be fussy.

3. ***Evaluating each advertisement***
   Your advertisement and announcements will be more powerful if they are: simple, uncluttered and original (not a copy of your competitor's advertising). Include your business name, address and phone number. Above all, make sure that every ad and announcement tells your customers what benefits they will get from your business, product or service. Remember benefits are what customers buy. When you're looking at your ad copy, decide if it:

   - Will grab the customer's attention with a strong headline.
   - Interest the customer in the benefits of your product, service or store.
   - Create a desire to buy with an incentive item or price.
   - Get the customer to take action with some kind of a deadline.

   If it doesn't, change it.

4. *Using cooperative advertising*
   Cooperative advertising is an effective way to decrease advertising costs. Joint advertising with other businesses such as the Chamber of Commerce is a good way to get your message across to your target markets. Cooperative advertising is often done with the manufacturer of products that you sell. The manufacturer shares advertising costs with you for specific products. Commercials and ads cost less and reach a wider audience.

5. *Evaluating results*
   Compare sales before, during and after the advertising campaign. If the advertising is based on lower prices, you may measure its effectiveness through sales. If your advertising and promotions are image building, sales may increase more slowly. Keep in mind how often major companies advertise and remember that one ad, one time is not enough. Repetition gets through to customers.

6. *Keeping records*
   Keep a record and copies of all your advertising and the details of when you run the ad, such as environmental and weather conditions, political actions and so on.

7. *Evaluating your competitor's ads*
   Know what and how your competitors are advertising. It's a good policy for you to have a file on each competitor. Know what your present and potential customers are seeing and hearing from competitors every day.

Publicity and public relations - Part of your promotional mix

Publicity is non-paid promotion. Newspapers, magazines, trade journals, radio and television stations are always looking for newsworthy, public interest stories. For Example, if your company is sponsoring a public speaking contest in your community, it is newsworthy. News stories about your business may also include the introduction of a new product to consumers or other businesses may also include the introduction of a new product to consumers or other businesses, the grand opening of your store, service or factory, or your community involvement and contributions. Get in touch with the editor or news director and tell them what you are doing. Positive publicity gives customers a good image of your business and establishes credibility. However, publicity cannot be your primary communication channel with your target markets because you have no control over news story content (good or bad) or whether your event will be mentioned. Poor news or coverage travels faster than good news!

Sales promotion and specialty advertising - Part of your promotional mix

Sales promotions are made up of the "$15.00 off," "two for the price of one," "win CASH" type of short term promotional offers. Often sales promotions are used to get a quick response from customers, promote impulse buying, or remind customers of your product or service. Running several promotions at the same time is effective for companies launching new products or services. Some sales promotional tactics follow:

Samples

Samples are a free gift of the product. This promotional tool is often used by manufacturers to get consumers to try a new product, especially for consumer goods like convenience foods, household products, skin care and hair care items. Giving free samples to business buyers can stimulate the trial use of your product or service.

Coupons

Coupons offering discounts for a product or service can be successful in getting consumer buying action, and may be used by services, manufacturers and retailers. They are usually inserts or clip-outs redeemable by consumers when they purchase the item or service. They encourage people to pay more attention to the advertising.

Contests

Contests attract people. Foot traffic to your location will likely increase with a contest offering major prizes of cash, merchandise or trips. Consumers will often try new products or make a repeat purchase because of a contest. Lottery type contests (guess the number of jelly beans in a jar or goldfish in a huge container) are excellent for stimulating traffic. Be sure to check with your lawyer for restrictions.

Trade shows

Trade shows fall into two distinct categories: trade-only shows for commercial buyers, and consumer shows for the public. They are beneficial to manufacturing, retail and service businesses if carefully planned and handled. Trade shows are used for testing new products, generating new sales and contacts, and seeing existing customers.

Point of purchase display (P.O.P.)

In-store displays are a focal point that draw attention to new products and merchandise, highlights old stock in a new way, and encourages consumers to stock-up on old favourites.

Advertising specialties

Advertising specialties are gifts for your customers that show your name, and often your address, phone number and slogan. They are excellent as reminder advertising whether your customers are the general public or other businesses. Consider wall and personal calendars, pens, key chains, scratch pads, matches, pencils and any new specialty being offered. These gifts often stay with customers and are a billboard for your company or service.

Personal selling - Part of your promotional mix
Personal selling (sometimes called the original promotional tool) is often necessary before customers will buy. Sales positions include industrial, retail, door-to-door, wholesale, telephone and manufacturer representative or agent. Some of these call for order takers while others need order getters. An order taker helps complete the sale and processes orders. An order getter uses professional selling approaches. The key to success for effective personal selling is the quality of the selection, training and management of salespeople whether they sell to individuals or businesses.

Salespeople must be aware of the importance of:

- Their appearance
- The way they approach the customer
- Understanding the customer's wants, needs and expectations
- Their manner and delivery of speech
- Their product/service knowledge and presentation
- Current sales information
- How they manage time priorities
- Closing the sale.

Training salespeople
The best training plans include three components:

1. Information
Your salespeople need product knowledge and company background for effective sales presentations and communication with customers. They require an outline of the target market, customer needs and preferences and how to respond. They also need to know about your competitors and their strengths and weaknesses.

2. Personal
Salespeople are often the only representatives of your company, service or product. Good impressions are vital to good sales. The training program must stress the importance of:

Appearance: What they wear should match (or mirror) their target market customer. The person selling blue jeans will wear blue jeans; the salesperson calling on executives will wear appropriate business suits.

Manner of Speaking: Their grammar, language and expressions can speak louder than the sales presentation if unsuitable for the target market. Salespeople in a snow and skate board shop must speak the same language as their young customers. Salespeople selling fine furniture must reflect the language and tone of their customers as well.

3. Sales techniques
Teaching effective sales techniques to salespeople equips them to do the best job possible. Demonstrate and practice with salespeople how to:

- Acknowledge the customer
- Ask questions and determine needs
- Sell the benefits and provide facts
- Negotiate and close the sale
- Handle objections.

Knowledgeable, trained salespeople can:

- Adapt the message to each customer
- Respond to the needs, preferences and situation of each customer
- Get immediate response from customers
- Be used to collect market information.

People and organizations buy for their own reasons. They may have a problem to solve or an unfilled need. It's important to prepare, plan and coordinate your overall promotional mix, including your personal selling approach. The salesperson's job will be easier and more effective with support from advertising and sales promotions.

Measuring the results of promotions and advertising
The best way of gauging the success of your sales promotions and advertising is to measure the results against your marketing and promotional objectives. Other methods include surveying customers for feedback on your advertising, measuring actual sales after advertising or promoting a specific product and changing your advertising and promotions so they carry the same theme and message.

IV. The Promotional Mix Checklist

1. What are your promotional objectives?

_____

_____

_____

_____

2. How much of your budget will you commit to all promotions this year? Next year? In five years?

_____

_____

_____

_____

Photocopy the Promotional Mix list on page 31 and use it for rating what you are doing now and for planning what you want to do. Which promotional channels will you or do you now include in your promotional mix?

3. Evaluate your present promotional channels. (Good, Needs Improvement, Poor, Consider Using.)

_____

_____

_____

_____

4. How did your present customers find out about your business:

__ Advertising
__ Personal sales call
__ Brand awareness
__ Referrals
__ Walk-in business
__ Direct mail
__ Sales promotions
__ Word of mouth

Advertising checklist

1. What advertising media are you using now? Want to use?

_____

_____

_____

_____

Will it reach your specified target markets?

_____

_____

2. Is the media cost effective? How many customers do you reach per dollar spent?

_____

_____

_____

_____

3. Evaluate your advertising messages:
   __ strong headline
   __ clear and simple language and ideas
   __ describes the benefit for customers
   __ gives your address and phone number
   __ different from competitors.

Personal selling

1. What are the sales goals of the company? Each salesperson?

_____

_____

_____

_____

2. What training program do you offer to salespeople?

3. When do you evaluate sales and performance? How? What can you do to improve?

Budget

1. What portion of your operating budget will you allot for each area of your promotional mix? Dollars? Percentage?

Monitoring and evaluating checklist

1. How are you going to measure results? When? Over what time period?

2. Review your current promotional activities.

How successful is each channel?

Do they help your business?

What recommendations can you make from the review?

How will these recommendations affect your target market marketing strategy, personnel, internal operations and accounting system?

Budget and Keeping Track

Step Five

I. Your Marketing Budget

Prepare your marketing budget as carefully as you prepare your overall company budget. Your decisions should be based on:

- Size and type of business
- Company resources
- Company financial condition
- Marketing and business goals and objectives
- Target markets.

Many Alberta businesses decide their marketing budget based on:

Goals and Objectives
The budget is based on estimates of how much money is needed to achieve marketing goals and objectives. Decide what your situation is, where you want to go, how you're going to get there, who's going to do what, when and what it will cost at various phases of the plan. Then decide how much money you need to make it happen.

Advantages: This method recognizes the importance of thinking through your marketing plan. It also recognizes that marketing expenditures are an investment that may not have immediate sales results, but are essential for long-term business survival.

Disadvantages: This method can be difficult because estimates are hard to get and you have to work with many assumptions.

Percentage of Sales
The marketing budget is based on a percentage of projected sales, and will vary from business to business. In retailing, for example, most stores spend between 1% and 7% of total sales on advertising alone.

Advantages: This method is simple, and is based on business revenue.

Disadvantages: This method is not necessarily based on what the company needs to reach its marketing objectives.

Industry Averages
The marketing budget is based on what the industry and competition is spending. Industry averages are obtained from market research, trade associations, and media organizations and are usually expressed as a percentage of total sales.

Advantages: This is a good defensive budgeting method that recognizes what your competition is doing.

Disadvantages: This method does not consider your own marketing objectives or special requirements. It is also based on historical information only. More marketing dollars may be required to reach new markets.

Forecasting
Your marketing budget must also include a forecast of sales, costs, and profit to make sure that it makes economic sense. Financial statements are a way to keep score on how your business is doing. The more accurate the statement, the better decisions you can make. If your cash flow forecasts show that you may not have enough funds to meet all the marketing objectives, list your objectives in order of importance. Then divide the budget as necessary. Keep in mind that marketing actions do not necessarily produce immediate results.

II. Keeping Track of Your Marketing Decisions

Keeping track of the results of your marketing decisions and actions is extremely important. Watch what happens, manage the progress or lack of progress. When you monitor and evaluate your company's marketing plan and actions regularly you can:

- Identify problem areas
- Keep up with market place changes
- Capitalize on strong points
- Spot weaknesses in your marketing program
- Recognize outdated strategies
- Amend unrealistic or conflicting goals
- Anticipate future opportunities and problems.

Stages
An ongoing monitoring and evaluating program helps you find out what happened, why it happened and what to do next. Refer to the marketing objectives, strategies, tactics (see page 20).

Stage 1 - Find out what happened during and after your sales promotions and advertising. Get the facts; compare actual results to the budget; determine why they differ.

Stage 2 - Compare results to objectives. Check out whether your advertising and promotional activities got the results you wanted.

Stage 3 - Find out why it happened. Determine what factors in the marketing program accounted for the results you wanted.

Stage 4 - Decide what to do about it. Plan your next sales promotions and advertising so as to improve results. Capitalize on success.

Stage 5 - Make adjustments and changes to your marketing plan, sales promotions and advertising.

III. Your Marketing Budget Checklist

1. What is your overall budget for marketing?

_____

_____

_____

_____

2. How much of your overall budget will you spend on: (List each channel you will use and make your estimate.)
Advertising?

_____

_____

Sales promotions other than advertising?

_____

_____

Public Relations?

_____

_____

Selling? (direct costs)
a) Sales salaries and commissions

_____

_____

b) Travel

_____

_____

c) Entertainment

_____

_____

Selling? (indirect costs)
a) Training

_____

_____

b) Market research

_____

_____

c) Analysis

_____

_____

Market administration?

_____

_____

The Marketing Plan Outline

Step Six

A marketing plan outlines everything you will do to market your business, in what order and when. Your marketing plan can help you reach your company and personal goals within your budget. Each section of this publication has been part of the planning process.

When you're in the process of developing your plan for the first time, tell your employees what you are doing and ask them for their ideas and experience. Including employees in company planning often increases their productivity and their commitment to their employer. Set completion dates and budgets for each step. Decide if other members in your company will be able to share responsibilities with you.

Remember, developing your marketing plan is a process. Once you are doing your marketing according to your written plan you will see that it needs to be revised, updated and changed regularly. Your business, customers, competition, and outside influences change regularly and your active marketing plan must be flexible enough to respond to those changes. When you have a marketing plan, you can work on your business, not just in it.

I. The Marketing Plan Outline

Step One - Purpose, Values, Objectives
- Develop a mission statement
- Identify your personal and business values and beliefs
- Set objective and goals

Step Two - Analyze Your Business, Customers, and Competition
- Identify your business concept
- Identify your customers, your target market
- Identify your competition
- Plan and carry out market research

Step - Strategic Market Planning
- Identify your marketing mix

Step Four - Promotion Planning
- Identify your promotional mix

Step Five - Budget and Keeping Track
- Prepare your marketing budget
- Decide how to measure results

Step Six - Outline Your Action Plan
- Decide who is going to do what to carry out the marketing plan
- Set completion dates for planning and action

Step Seven - Evaluate Your Plan
- Monitor, evaluate and change your marketing plan as required

Congratulations. You are on your way to marketing your small business more successfully.

I. Marketing: Retail

Retail and wholesale enterprises are in the business of reselling. When you own and operate a retail or wholesale business you are the purchasing agent for your customers. Success means being prepared, knowing your customers thoroughly. Remember marketing is what you and your staff do every day to help your customers.

Assessing Location

Location is one of the most important factors in retail business. The challenge for actual or potential retail businesses is to evaluate the strengths and weaknesses of the location. Find out where businesses complementary to yours tend to locate and join them. Complementary businesses increase traffic flow. For Example, a pharmacy located next to a doctor's office has a marketing edge. Are there major businesses nearby that may generate customer traffic? Usually banks, fast food restaurants and theatres generate a lot of customer traffic.

What is the traffic flow by the location?

The best way to find out is by doing traffic counts. Count the number of pedestrians and/or automobiles passing the proposed retail location. How many people pass by during your business hours? Estimate the numbers of men, women or children at promotional events. Count empty spaces in the parking lot. You also need to know who the customers are, where they're from, what their shopping plans are, how likely they are to buy your products or service, and where they buy your kind of products and services now.

Competitors

Count the number of competitors within various distances of the proposed site. Check out how many competitive stores are in the same area. Too many competitors may mean that a saturation level has been reached. However, by creating a niche and offering excellent service and products, your business will thrive.

What are the site characteristics?

The location you choose for your retail outlet must be easy to get to, with convenient, safe parking. The building or storefront should blend with other nearby businesses but it also must be distinctive with good windows for displays, attractive, powerful signs and an attractive exterior.

What costs are involved?

More advertising and promotional dollars will be spent to support a poor location. A better location means spending less. If rent for a space in a specialty mall is twice as expensive as that in a suburban location, you must make sure that you make higher revenues to compensate for the higher expense.

What are the coming trends?
The current location may be adequate for handling your present customers, but what effect will trends have on your business? Is there potential for growth? Are your customers moving to other areas? How will changes in the town expansion effect you?

Sales practices in retail
Selling is solving problems, fulfilling customer needs and wants. Part of your marketing plan then is looking at your present methods of selling and improving them.

How do you sell your products or services now?
Observe your sales people. Watch customer reaction. How often do they make the sale? Many lost customers complain of rude, discourteous or poorly informed salespeople. The upset customer complains to an average of 11 other people, and that negative image will be very hard to overcome.

What kind of sales training do you provide for staff?
Your sales staff should be well trained in the art of selling. If you're not sure how to train your staff, find out. Repeat customers return when they get what they want and need with the least amount of frustration (see page 35).

How do your competitors sell?
"Shop" the competition. Are they adding new salespeople, changing advertising, or moving to a new location. How do they get new customers and keep old ones?

What follow-up do you have after the sale?
Repeat customers are the back-bone of every business. Consider follow-up procedures that encourage them to come back. Treat them better than they've ever been treated.

Visual marketing
Displays and the presentation of merchandise throughout your store are another means of communication with your customers. Presentation is the physical arrangement of the goods you are selling. Display is the extra visual appeal you give to selected merchandise. Great displays say: "Stop. Look at me!"

Display guidelines

- Window displays attract customers into the store, inside displays should direct customers to selected merchandise. Follow these guidelines for effective displays:
- Less means more. Keep displays simple.
- Use colour groupings.
- Reflect your target market's tastes and attitudes.
- Use lighting as a key element to highlight special items.
- Use a central theme or idea.
- Keep everything clean.
- Co-ordinate display with special events.
- Make sure sufficient displayed merchandise is available to sell to customers.

Signage
Signage refers to all the signs, outside and inside. Exterior signs must give customers a reason to go into your store. They should be colourful and professionally prepared. Interior signs direct customers to different departments and point out special features of selected merchandise. Use the same type style on all instore signs.

Further marketing tips

- All employees and departments contribute to the marketing of the company, ultimately providing service to the customer. That includes the night janitor. If the floors of your establishment are not clean, customers notice.
- Walk through your present (or prospective) location. Forget what you know about it and look at everything through a customer's eye. Do you like what you see? Are there bits of streamers left over from Halloween or Christmas? Could it be cleaner? Is the location convenient?
- Pricing for retailers includes wholesale of merchandise and all costs of selling the merchandise.

Checklist for Retailers

Location

1. How many people walk or drive by your store?

   _____

2. Will nearby businesses draw customers to your place of business?

   _____

3. How many direct competitors are located in the trading area? Who are they? What do they offer to customers?

   _____

   _____

   _____

   _____

4. Does your store concept fit the market in that area?

   _____

5. Is there easy access to your store by transportation link?

   _____

6. What is the growth potential for the area?

   _____

7. List the advantages and disadvantages of the building and location: good window footage? appropriate size? good access? visibility? parking?

8. Are rent (mortgage payments) and other costs appropriate?

9. Does the location present good opportunities for business identification?

Sales procedures

1. Are your sales staff well trained?

2. How can you improve staff training?

3. How does you sales staff react to your customers and non-buyers?

4. Do your sales staff communicate well with customers? Identify their needs?

5. How do your customers react to your operations?

6. Do you check your business daily by looking at it from the customer point-of-view?

7. Do prices and sales cover all your costs?

8. Do you listen to your customer's questions and ask yourself "Why are they asking them?"

9. Do you ask for customers' feedback on how you can provide better service?

Signage

1. Can the signage be seen clearly from a distance? Close up and at eye level?

2. Is your signage uniform in appearance? Large enough so that it makes a statement?

3. Is your signage professional looking?

4. Does the internal signage show consumers which departments they are in? Draw them around the store?

5. Is your name displayed inside your business as well as outside?

6. Do you use the same letter type in all signage?

Displays

1. Are displays simple, coordinated and clean?

2. Do they have good lighting?

3. Do they have a good central theme?

4. If you're displaying small items, do you use big props to display them?

5. Are the colours complementary?

6. Does your display show where the goods are available in the department and prices?

II. Marketing: Business to Business

Companies who sell to other companies need specific marketing knowledge about business and organizational markets, strategies, buying situations and who buys. This knowledge will help you build on your competitive edge.

The business and organizational markets
The organizational market consists of production, trade and government aggregates as well as the institutional services market.

The ***manufacturers market*** is individuals and organizations that need goods and services to use, directly and in the production of other products and services which are sold, rented or otherwise supplied to others.

The ***traditional trade industries market*** is retailers and wholesalers who purchase products to resell or rent to others at a profit.

The ***government market*** consists of federal, provincial and local governments.

The ***services market*** is individuals and companies with specific needs, such as health and personal care services (physicians, dentists, beauticians, interior designers) and business support services (accountants, tax preparers, printers). Determine the best target markets for your business products, services or ideas.

Strategies
You need facts before opinions when you're dealing business to business. Use information gathering and market research to discover the facts. You need to find out the basic buying needs of the businesses that you have decided make up your target market. Find out what problems are facing the organization. Then figure out how your company can meet their requirements. Convince them that your product, service or idea will benefit their company, will help them save money and increase productivity and profits.

Who buys?
The person who makes buying decisions is not necessarily the one who places the order or hands the cheque over to you. The decision to try your product or service may involve several people at different levels. Buying decisions depend on the product or service being considered, the size of the company, and the management structure. Find out through your information gathering and market research who really makes the decisions.

Your competitive edge
Knowing everything you can about your customer is your competitive edge. Know the special competitive challenges that your customer faces. Know how your proposed product or service will be applied. Insights into your customer's needs allow you, the marketer, to develop sharply focused personal marketing and selling strategies. Empathy with the buyer is the key to successful and mutually beneficial buyer-seller relationship. And that's your goal: positive relationships with your customers.

Checklist For Business To Business

Questions that will guide you in business to business marketing:

1. What is happening to the industry in which the prospective customer operates: growth potential, inflationary pressures, government regulations and taxation?

2. Is the buying department centralized or decentralized? Does it use the computer in buying and in selecting and evaluating suppliers?

3. Which company members will be included in the buying decision and what are their roles?

4. What benefits of your products or service will appeal to each member of the decision making group?

III. Marketing: Service Business

The service industry is different from manufacturing or retail. Service businesses are in the business of selling results. Services are the fastest growing segment of the economy, they employ approximately 70% of the work force in Canada.

When clients use your service they are buying a promise that you'll deliver. Your marketing challenge is to make your service tangible to your target market. Service providers are often tightrope walkers trying to balance getting the work and running the business. Service businesses can range from equipment based to people based. Examples of equipment based services are: vending machines, dry cleaning and airlines. People based services include: janitorial services, beauty salon and lawyers.

Like every other business, if you're in the service industry you must know who your target markets are and what you can do to fill their needs.

What's different about service businesses?
Service is intangible. In comparison to product, service is essentially intangible. That is, it is impossible for the consumer to taste, feel, see, hear or smell the service before they purchase it.

Advertising and sales staff must emphasize the benefits of the service rather than the service itself.

Service is inseparable. Services are often inseparable from the seller; that is, some services are created and delivered simultaneously by the same person. Direct sales are often the most important part of the promotional mix.

Services can't be returned. If hours are not billable, they represent a loss. Unlike regular inventory that can be returned to the shelves, services are perishable and cannot be returned. Managers in people-based services must decide well in advance who will work each job and how much time will be necessary for it. An unbillable hour is a complete loss except for the goodwill it might have achieved; partial revenue is still a gain.

Marketing mix highlights for service
The marketing mix (see page 21) for service business includes other important features like the following:

Demand. The demand for services often fluctuates by season, day of the week, and hour of the day. For Example, the demand for some types of services may fluctuate between winter and summer seasons. Fluctuating demand creates many planning, pricing, promotional and distribution challenges to services companies. The time and amount of demand must be estimated to provide the right service at the right time to customers. Creative promotional campaigns should be developed in an attempt to level demand for service.

Service is more than an act, deed or performance. It is a feeling and it is built on relationships. It develops perceptions about people and their organizations.

Service is very much a primary product. An on-going relationship between buyer and seller focusing on keeping the customer happy, after the sale is required. The purchaser is always the customer, especially in the service industry.

Location. As with the retailer, a service company should try to locate as close to its customer base as possible. Make it easy for your customers to get to you or for you to get to your customers. Customers appreciate ease of access, and safe, affordable parking. Secondly, the location should be convenient for staff. You want to attract the best people for your service company as possible. They too, will appreciate a convenient location. Service businesses that depend on walk-in traffic and high volume (like dry cleaners, beauty salons and daycare centres) must be located in highly visible areas of the community. They must also be easily identified by distinctive signs and clean attractive exteriors, entrances and interiors. Service businesses that are more specialized must be aware of the customer's expectations and perceptions of their type of service. For Example, health care facilities should look soothing and convenient; legal firms must appear solid; consultants and engineers must appear successful.

Checklist For Service Business

1. Is your location easily accessible?

2. Is there ample parking to meet your customer and staff needs?

3. Is your location highly visible to passing traffic?

4. Is the location affordable for a long period of time?

5. Does your location fit the perceptions of your customers?

6. What attitudes do staff members show to customers? Positive? Caring? Negative? Indifferent?

7. Is your service consistent? Do customers feel that it is consistent?

IV. Marketing: Manufacturing

All businesses, including manufacturing, are more successful when they operate from a usable, flexible marketing plan. To plan well, you need information.

Who is your target market

In manufacturing, direct customers may be individual consumers, but, they will more often be retail outlets or other businesses who use your products to manufacture their products. Customers must recognize that what your company offers is different and more beneficial to them than your competitors' products. The end user is as important as the customers you sell directly to. Customers are interested in your product, but they're also concerned about delivery, reliability, follow-up, and how they're treated. Many manufacturers have improved business by inviting feedback from the end user, by using techniques like an 800 telephone line, warranty surveys and so on.

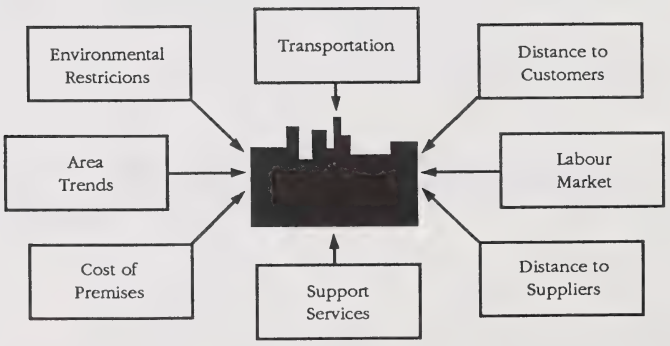
Pricing

Pricing depends on materials, supplies, production, packaging, distribution, and what the customer will pay. Discounts on distribution channels (brokers, wholesalers, retailers) may be needed to get your products distributed to your markets. Volume discounts, advertising subsidies, freight allowances and other types of discounts should be accounted for in pricing.

Location

Choosing the best location for manufacturing is a major decision for the company. Starting up in a new location often means making long-term financial commitments and investing time, money and hard work in the set-up and move. Many factors will influence your decision. Consider them all.

Where to locate your Manufacturing Centre



Distance to suppliers
Your location must be as close to suppliers as possible. Suppliers provide electricity, water, natural resources, the manufactured goods necessary for your manufacturing process, and everything else you need to operate. A poor location means higher operating costs and extra pressure from competitors.

Distance to customers
Your manufacturing business should be located as close to your customer base as possible to reduce shipping costs and transportation time. Person to person contact with customers is much easier when you're located nearby.

Cost of premises
The physical site, fencing, roadways and the design and layout of the building should suit your location requirements. A potential manufacturing centre that requires extensive renovations may be a poor investment of both your money and time.

Environmental restrictions
Manufacturers should be aware of local bylaws and constraints that might limit the level of production or expansion. Some cities and municipalities may discourage certain types of manufacturing because of noise or pollution concerns. Waste disposal is another environmental concern in choosing the location for a manufacturing plant.

Transportation
Set up your manufacturing plant near or on a transportation route. Access to transportation is essential for distributing your products to your markets and for getting the raw materials needed for your manufacturing process.

Labour market
Most manufacturers need a convenient source of labour. If your operation requires skilled technicians, you should locate in or near a centre with skilled workers. If unskilled workers are needed you should locate where many people are available and where wages may be lower.

Area trends
Before you make a commitment to buy or lease, decide whether the area is progressive or stagnant and if it suits your type of manufacturing. Check on trends and changes planned for the area.

Support systems
Find out what support systems are available near the location. You will need access to electrical, banking communication, professional, maintenance, repair, janitorial and other services.

Distribution
Distribution is all about getting products to where they are wanted, when they are wanted. Your options to sell directly to the customer or to use agents, brokers, wholesalers or retailers (called distribution channels) to distribute your products. Distribution channels are your bridge to the market and can help reduce the overall costs and effort involved in physically moving the product to customers. Because these go-betweens are familiar with the market situation in places you don't know, they can also help your overall marketing effort.

Wholesalers are companies that sell primarily to retailers and other wholesalers or industrial users. They do not usually sell goods to the end consumer. Wholesalers of industrial products are often called industrial distributors.

Brokers find customers for products and negotiate prices. They do not take title to the product they handle, and they usually provide less service than wholesalers.

Manufacturer's agents receive a commission to sell products in a limited area, such as the southern part of the province. They have little or no control over the price and terms of sale which are set by the manufacturer.

Retailers sell products to the end user. Different agents, brokers, wholesalers, and retailers offer different levels of service and cost. For Example, some may do everything for you, from packaging to delivery, and will assume responsibilities for the entire marketing process while others will provide few services.

Choosing your distributor
When you are deciding whether to use agents, wholesalers, brokers or retailers to distribute your product, you need to consider the following:

Number of customers
If your manufacturing company deals with a few large customers, you may decide to sell directly to customers by using your own salespeople. However, many manufacturers choose distributors and depend on their expertise. For Example, a toy manufacturer could sell directly to major toy chains, but would likely use an agent to service independent toy stores.

Concentration of market
Using your own distribution system is possible if your customers are concentrated in a few areas. However, if customers are scattered throughout the province, it is usually more economical to use the services of a distributor.

Price
The less expensive the item, the more likely that a distributor is used. Cheaper items are usually sold in large quantities to agents who then distribute them in smaller numbers to retailers. Expensive, technological products, such as computers or industrial equipment are usually sold directly by the manufacturer or through a specialized agent.

Technical nature
Highly technical items are usually sold directly by the manufacturer. The producer's sales force might be able to offer pre-sale information and post-sale service which most wholesalers cannot provide.

Company resources
Many new manufacturers cannot afford to establish a distribution system, grant credit or provide warehousing for competed products. It is usually more practical and economical for new manufacturers to rely on an experienced distributor who has many market contacts.

Control
Some manufacturers want to maintain control of their product by handling distribution even though the costs are higher. They feel that they can maintain a consistent price, provide better service and maintain high performance standards by distributing directly. Most consumer products such as food, clothing or furniture are not sold directly by the producer because the control over quality of service and price maintenance is less important.

Services
Manufacturers should select the distributor who offers the best service for the most reasonable price. If experience shows you that your distributor is unreliable or inconsistent in the quality of service offered, it is time to revise your distribution policies.

Target market
You know through your market research who your target market is. Make sure that the distributor you choose has the resources to distribute your product to all parts of your target market.

Select the distributor who matches your situation distribution analysis

	Sell Directly	**Broker**	**Wholesaler**	**Retailer**
1. Number of customers	Few	Specialized	Hundreds	Diversified
2. Concentration of market	High	High	Low	Low
3. Product price	Expensive	Less Exp.	Cheap	Simple
4. Technical nature	Complex	Varied	Simple	Simple
5. Financial	Strong	Varied	Weak	Varied
6. Need for control	High	High	Low	Low
7. Distributor success	Poor	Good	Good	Good
8. Target market penetration	Inadequate	Adequate	Successful	Successful

Your packaging strategy

Packaging has two purposes: functional and promotional. Functional packaging protects the product until the customer buys and uses it. Promotional packaging is a competitive tool to help influence your customer's buying decision. Effective packaging will make your product different from the competitor's. It identifies and creates an image; it is a silent salesperson.

Developing an effective package

Package design: Design includes: size, shape, materials, colour, wording, and label. The package size and shape should make products easy to handle for employees, distributors, and customers. The material must protect the products during shipping. The colours of the packaging and print style may be conservative or bold; the wording and labels may be simple to include prominent graphics. When designing your packaging keep in mind how it will be displayed and the ease of display from the retailers point of view. Well designed packaging can be like a billboard to attract customer attention and sales.

Testing: Test the complete package from an engineering, visual, dealer and consumer point of view. If the packaging is not strong enough, appealing enough to attract customers, make necessary changes to improve it.

Legal: Packaging must also include appropriate information, safety warnings and accurate descriptions. Federal and provincial legislation may affect your package. The Food and Drug Act, Consumer Packaging and Labelling Act, Hazardous Product Act, or Quebec Language Bill 101. Find out what legislation applies to your product, service or venture.

Protection: Protect your product or label design from being copied or used by your competition by applying for a trademark, copyright, industrial design or patent protection.

Example

Manufacturing Packaging

The competitive advantage of Pure Delight Pasta is that it is an all natural product that appeals to the health-conscious. Because of its quality, customers must see the pasta through the package. Therefore Pure Delight Pasta is boxed in clear material. The positioning statement "For real pasta eaters who know the difference. It's a natural." appears on the face of the package. Across the corner of the package is a red slash that reads "Keep the goodness. Keep me in the fridge".

V. Marketing: A New Business

Here are specific marketing suggestions and questions to answer if you are thinking of starting a new business.

1. What do you want to offer to customers or businesses: a product you've designed, invented or discovered; a service you are trained and experienced in; a range of products and services in retail business. (See the sections that apply specifically to your business.)

2. Know your market. Find out all about the people or businesses who may buy your goods or services. Remember they must be convinced that what you are offering is good value and is more beneficial to them than other goods and services.

3. Where will you locate your business? Consider the importance of walk-in traffic for your retail business. Check out the distribution of your manufactured product before you get set up in a certain location. Will your customers be impressed with the location of your service?

4. Take an in-depth look at the prices or fees you will charge. Your pricing must cover expenses, overhead and salaries, sales volume requirements as well as competitors' prices. Be realistic and honest about your costs. Build in a profit as well.

5. How will you promote your business to prospective customers? This area takes in everything from signage to business cards to newspaper ads to the way the receptionist answers the telephone. It is covered in more detail in Chapter Two, Market Planning, Promotion and Advertising.

6. How are you going to make the sales necessary to run you business? Decide if you need sales staff and how to train them. Discover how many production staff you will need to fill the orders. If you are going to be working by yourself, investigate sources of support people and businesses who you can use.

While you're deciding your marketing strategies, remember that you must see your business from your customers' perspective. You may know what features your business will offer them. What you must also know is what benefits they will get out of your business.

Appendix

Research Sources

Statistics Canada

The Canadian government provides more marketing data than any other single source. Statistics Canada collects and publishes information on agriculture, education, fisheries, forestry, health, housing, international trade, employment, income, manufacturing, retail and wholesale trade, mining, and transportation. Sources include:

- Market Research Handbook - for demographic and consumer income and expenditure information,
- Canada Year Book - for historical data on Canadian demographics and economy,
- Catalogues - of the most recent census,
- Cansim - a computerized data book and information retrieval and Telichart - a colour graphics.

Location:

Statistics Canada Publications are available through most libraries. A full series of publications is located at:

Statistics Canada

10001 Bellamy Hill
Edmonton, Alberta T5J 3B6
Phone: 495-3023

401, 138 - 4 Avenue S.E.
8th Floor, Park Square
Calgary, Alberta T2G 4Z6
Phone: 292-6717

Libraries

- Public libraries are good all-round sources of secondary information. Large libraries have many sources of data including: books, periodicals, newspapers, bibliographies, government publications, and directories.
- Numerous computerized databases used by libraries contain information useful for market research. Markets are described in terms of products, companies, demographics, prices, advertising, expenditures, and technology. Most are available for a small fee.
- Publications such as the Business Periodical Index, The Canadian Business Index, and The Canadian Periodical Index contain references to articles that have appeared in various business periodicals. Copies of the articles on this may be obtained for easy reference.

Full library services are located at:

The Edmonton Public Library
7 Sir Winston Churchill Square
Edmonton, Alberta T5J 2V5

The Calgary Public Library
616 MacLeod Trail S.E.
Calgary, Alberta T2G 2M2

All libraries offer loans and will get the books and background information you need. Ask your librarian.

Goverment of Alberta
Several Departments publish statistical data and research for public use. One source is:

The Alberta Bureau of Statistics
6th Floor, Park Plaza
10611 - 98 Avenue
Edmonton, Alberta T5K 2R7

Chamber of Commerce
The local Chamber of Commerce is a good source of local market information for background data and contact with the business community.

Educational institutions
Most of Alberta's universities and educational institutions operate resource centres and publish findings of interest to the business community. Some educational institutes offer marketing assistance to businesses by completing market research studies. The marketing department or small business studies group at your local university, college or technical institute should be contacted for further information.

Advertising media
Many magazines, radio, television, retailers and newspapers publish valuable demographic information for the communities they serve. These sources can be used to define the size, age, income and other characteristics of your community. Data on the calculation, coverage and rates for all advertising media in Canada are published monthly in Maclean-Hunter's Canadian Advertising Rates and Data.

Trade and professional associates
Information for specific professions or activities is available through trade journals and periodic reports published by associations. The reference section of most public libraries has a directory of associations' names and addresses.

Marketing research firms
Marketing research firms, advertising agencies and some management consulting firms conduct research on behalf of clients. The types of reports prepared and the fee charged vary greatly. Large research firms often operate consumer mail channels which regularly collect data on such topics as media usage, consumer attitudes and purchasing habits. Some published information is available free of charge. The names of potential research agencies are available in the yellow pages of the telephone book.

Corporations
An abundance of data is gathered by large companies each year and held in their libraries.

Goverment studies
All levels of government frequently publish studies that are available to the public. Check your local branch offices for details.

Private research houses
Private research houses often publish statistical information that they have compiled on behalf of their clients, political parties and large corporations.

Glossary of Terms

Advertising - Any form of non-personal presentation or promotion of a product or service paid for by a sponsor.

Advertising media - Newspapers, television, papers, radio, flyers or billboards; any medium that carries the advertising message to the interested buyer.

Agents - A broad category of middlemen that do not take title to goods but assist in the transfer of products. Agents are commonly paid by fees or commissions.

Annual marketing plan - A master plan covering a year's marketing operations. It is one part of the ongoing strategic planning process.

Brands - A name, term or symbol that identifies a product and differentiates it from the completion's product.

Break-even point - The level of output at which revenues equal costs.

Broker - Anyone who brings about a transfer of goods (or services) between buyers and sellers, but who does not take title to those goods or services. A broker usually arranges all details of purchase, transportation, insurance, etc., for the buyer and seller.

Buyer's market - A situation in which the supply of a product or service greatly exceeds the demand for it.

Buying decision-making process - The steps that a buyer goes through in the course of deciding whether to purchase a given item.

CARD - Canadian Advertising Rates and Data - A media directory that gives advertising rates, production requirements and other information on various Canadian advertising media.

Cash discount - A deduction from list price for paying a bill within a specified time.

Chain store - One in a group of retail stores that carry the same type of merchandise. Corporate chain stores are centrally owned and managed. Voluntary chains are an association of independently owned stores.

Channel of distribution - The route that a product or the title to the product takes as it moves to its market. A channel includes the producer, the consumer or industrial user, and any middlemen along the route.

Classified advertising - In newspapers and some magazines, advertising that is grouped together in one or more sections of the publication and classified according to subject, as opposed to display advertising.

Closing - In personal selling, the stage in the selling process when the sales person gets the buyer to agree to make the purchase.

Comparative advertising - Advertising that compares the advertiser's brand with those of specially named competitors.

Consumer goods - Product intended for use by household consumers, for personal not for business purposes.

Cost of goods sold - A major section in an operation statement, showing calculations to determine the cost of products sold during the period covered by the statement.

Cost-plus pricing - A major method of price determination. The price of a unit of a product is set at a level equal to the unit's total cost plus a desired profit on the unit.

Demographic segmentation - Categorizing or differentiating people based on demographic variables such as age, sex, religion, income, etc.

Differentiated market strategy - Developing different products and marketing programs for each market segment that the organization plans to serve.

Direct competitor - An organization offering a product that meets similar consumer needs and is broadly similar in substance or process to one's own product.

Display advertising - In newspapers and magazines, advertising displayed anywhere in the publication (not restricted to classified pages).

Distribution or delivery system - The combination of internal organizational resources and external intermediaries employed to move a product from production or creation to the final consumer. Goods necessarily move through physical distribution channels, involving transportation, storage and display. Services may be delivered to the customer directly at the production site or, in certain instances, transmitted electronically.

Exclusive distribution - The practice in which a manufacturer uses only a wholesaler or retailer in a given market.

Family life cycle - The series of life stages that a family goes through, starting with young single people and progressing through married stages with young and then older children, and ending with older married and single people.

Fixed costs - Costs that remain unchanged in total for a given time period despite wide fluctuations in activity. Examples are property taxes, executive salaries, rent insurance and depreciation (see also variable costs).

Focus-group approach - In a marketing cost analysis, an accounting approach where all expenses - direct and indirect - are allocated to the marketing units being analyzed.

Focus-group interviews - A small group discussion method of obtaining qualitative information from individuals who are broadly representative of the target market.

Generic product - a product that is packaged in a plain label and is sold with no advertising and without a brand name. The product goes by its generic name such as "tomatoes" or "paper towels".

Goals and objectives - Clear statements of what you want to accomplish. Goals are major ambitions, while objectives are the actions needed to achieve goals.

Gross margin - Net sales minus costs of goods sold. Also called gross profit.

Image - The total of a product's atmosphere, business personality and reputation.

Indirect-action advertising - Advertising that is designed to stimulate demand slowly over a long period of time.

Insert - Advertising, usually flyers or brochures, which is inserted into magazines or newspapers. It is distributed with the publication but is not printed as part of the publication.

Institutional advertising - Advertising which describes a company's image rather than its products, services or consumer benefits.

Jobbers - One of the distribution channels. Jobbers usually take orders from businesses along a certain transportation route, and tell manufacturers how much to deliver where. Jobbers are then responsible for credit, invoicing and other administration.

Loss leaders - A product of known or accepted quality priced at a loss or no profit for the purpose of attracting consumers who may then purchase other regularly priced products.

Margin - The difference between the selling price of a product and its production cost (for a manufacturer or service provider) or purchase cost (for a wholesaler or retailer). The margin may be expressed in monetary units or as a percentage of the selling price.

Market niche - A segment of the market that has specific characteristics in common. This segment is known as a market niche on which companies typically focus their marketing activities.

Market potential - Total expected industry sales for a product in a given market or over a certain time.

Market segmentation - The process of dividing the total market into one or more parts, each of which tends to be homogeneous in all significant aspects.

Market share - The ratio of an organization's sales volume for a particular product to the total market volume.

Marketing audit - A systematic, critical, unbiased and comprehensive appraisal of an organization, marketing objectives, strategies, policies and activities.

Marketing mix - The basic ingredients in a marketing program that influence consumer decisions on whether or not to patronize the organization. These five elements are product, price, distribution, promotion and location.

Marketing planning - The tasks of setting up objectives for marketing activity and of determining and scheduling the steps necessary to achieve such objectives.

Marketing research - Systematically gathering, recording and analyzing data to provide information for marketing decision making.

Mark-up - The amount by which a seller increases the selling price of a product over its original purchase price. Mark-up is generally computed as a percentage of the final selling price rather than of the original purchase.

Media plan - The selection, use and timing of advertising media. A sub-component of the promotional mix.

Middleman - The business organization that is the link between producer and consumers or industrial users. Renders services in connection with the purchase and/or sale of product as they move from producer to their ultimate market. Either takes title to the producer or actively aids in the transfer of title.

National advertising - Advertising of major well known businesses or brand names on a national basis.

New-product development process - Developmental stages that a new product goes through. Starts with idea generation and continues through ideas screening, business analysis, limited production, test marketing, and eventually full-scale production and marketing.

Personal selling process - Activities involved in making a personal sale, starting with personal preparation and including prospecting the pre-approach, the sales presentation, and post-sale activities.

Penetration strategy - An aggressive marketing strategy, based upon low price, and heavy advertising and promotional expenditures, that is designed to gain quickly a large share of the market for a specific product.

Physical distribution - The methods (channels) used to get products from the factory to final customer. These include brokers, wholesalers and retailers.

Point of sale advertising - Promotional display used by retailers at in-store locations, such as shelf, window, counter, aisle, or checkout, to promote specific products.

Positioning - The art of creating a distinctive place for the products/service in relation to similar products/service in the minds of existing and potential customers.

Primary information - Information specifically gathered to solve a current problem.

Product differentiation - Creating and communicating product attributes that causes consumers to perceive the product as being different from the other products on the market.

Promotion - Communication information between seller and buyer to influence attitudes and behaviour.

Psychographic - A concept in consumer behaviour that explains a market in terms of demographics, as well as consumers' attitudes and lifestyles.

Pull strategy - A marketing strategy based upon heavy advertising by the manufacturer to potential end users, with the objective of "pulling" the product through the channels of distribution.
Push strategy - A marketing strategy in which the channels of distribution take major responsibility for promotional and personal selling efforts to end users, designed to "push" the product out of the store.

Quantity discount - A reduction from list price when large quantities are purchased; offered to encourage buyers to purchase in large quantities.

Retailer - A business organization that sells primarily to ultimate consumers.

Skimming price - An initial high price set to try to sell to the top of the demand curve when a product is first introduced to the market.

Secondary data - Information already gathered by somebody else for some other purpose.

Strategic marketing planning - The process of setting marketing goals, selecting target markets, and designing a marketing mix to satisfy these markets and achieve these goals.

Survey method - A method of gathering data by interviewing a limited number of people (a sample) in person or by telephone or mail.

Shopping product - Products that the consumer, in the process of selection and purchase, characteristically compares on such bases as suitability, quality, price and style.

Specialty product - Products with unique characteristics and/or brand identification for which a significant group of buyers are habitually willing to make a special purchase effort.

Target market - A group of customers at whom an organization specifically aims its marketing effort.

Wholesaler - A business unit in the channel of distribution which buys goods or services from producers and resells them to other merchants or to institutional purchasers but not to household consumers.

Alberta Treasury Branches

Branch	Address	Telephone
Airdrie	104 - 1st Avenue N.W.	948-5989
Andrew	5036 - 51 Street	365-3834
Athabasca	4910 - 50 Street	675-2258
Banff	317 Banff Avenue	762-8505
Barrhead	4909 - 52 Avenue	674-2241
Beaverlodge	209 - 10 Street	354-2236
Black Diamond	122 Center Avenue W.	933-4357
Bonnyville	4902 - 50 Avenue W.	826-3024
Bow Island	128 - 5th Avenue W.	545-2204
Boyle	5115 - 3rd Street	689-4099
Breton	4927 - 50 Avenue	696-3664
Brooks	219 - 2nd Street W.	362-3351
Bruderheim	Queen Street & 49 Avenue	796-3616
Calgary Main (Esso Plaza)	420 - 2nd Street S.W.	297-2009
Calgary Alberta Hotel	139 - 8th Street S.W.	297-6297
Calgary Brentwood	3630 - Brentwood Road N.W.	297-8164
Calgary Chinook Centre	1691 S. Chinook Centre 6455 MacLeod Trail S.W.	297-6503
Calgary Forest Lawn	3223 - 17 Avenue S.E.	297-6507
Calgary MacLeodVillage	4610 - MacLeod Trail S.W.	297-2831
Calgary North Hill	217 - 16 Avenue N.W.	230-6700
Calgary Sunridge	Suite 5, 2681 - 36 Street N.E.	291-2480
Calgary 6th Avenue S.W.	717 - 6th Avenue S.W.	297-6206
Calgary 17th Avenue	1110 - 17 Avenue S.W.	228-9952
Calgary 34th Avenue	2140 - 34 Avenue S.W.	297-7163
Camrose	4867 - 50 Street	672-3331
Cardston	24 - 2nd Avenue W.	653-3394
Caroline	5039 - 50 Avenue	722-3830
Carstairs	103 - 10 Avenue N.	337-3345
Castor	4913 - 50 Avenue	882-3110
Claresholm	115 - 49 Avenue W.	625-4451
Coaldale	1821 - 20 Avenue	345-2611
Cochrane	221 - 1st Street	932-3117
Cold Lake	703 Lakeshore Drive	639-3311
Consort	Main Street	577-3800
Coronation	5206 Victoria Avenue	578-4101
Crossfield	1214 - 16 Railway Avenue	946-4345

Daysland	5033 - 50 Street	374-3524
Didsbury	1820 - 20 Street	335-3386
Drayton Valley	5117 - 51 Street	542-4406
Drumheller	294 Centre Street S.	823-5161
Edmonton Main	10102 - 102 Avenue	429-9100
Edmonton Calgary Trail South	3361 Calgary Trail South	437-4333
Edmonton First EdmontonPlace	10665 Jasper Avenue	422-4800
Edmonton 118 Avenue	8804 - 118 Avenue	427-4171
Edmonton Hys Centre	11010 - 101 Street	423-3306
Edmonton Jasper Place	15548 Stony Plain Road	486-2224
Edmonton Killarney	12703 - 97 Street N.W.	473-1803
Edmonton Kingsway PSC	11541 Kingsway Avenue	455-5735
Edmonton Mayfield Common PSC	360, 10046 - 167 Street	484-5513
Edmonton Mayfield Square	10466 Mayfield Road	484-7117
Edmonton Millwoods	9251 - 34 Avenue	463-7577
Edmonton Palisades Square	12800 - 137 Avenue	427-7353
Edmonton Pepper Tree	12060 Jasper Avenue	427-7355
Edmonton Strathcona	8008 - 104 Street	439-4877
Edmonton Sun Life Place	10, 10123 - 99 Street	423-3058
Edmonton Terrace Plaza	4445 Calgary Trail S.	436-8333
Edmonton West Edmonton Mall	1434, 8770 - 170 Street	444-2027
Edson	320 - 50 Street	723-5571
Elk Point	4925 - 50 Street	724-3883
Fairview	11012 - 102 Avenue	835-4932
Falher	Railway Avenue & Main Street	837-2218
Forestburg	50 Street & 49 Avenue	582-3745
Fort Macleod	221 Macleod Blvd.	553-4444
Fort McMurray	9713 Hardin Street (Peter Pond)	743-7240
Fort Saskatchewan	9917 - 102 Street	998-5161
Fort Vermillon	Main Street	927-3781
Grand Centre	4817 - 50 Street	594-7149
Grande Prairie Main	9912 - 100 Avenue	539-7450
Grande Prairie Mall	193, 11801 - 100 Street	538-5225
Granum	310 Railway Avenue	687-3794
Grimshaw	5216 - 50 Street	332-4637

Hanna	232 - 2 Avenue W.	854-4404
High Level	10102 - 100 Avenue	926-2221
High Prairie	5201/03 - 49 Street	523-5201
Hinton	207 Pembina Avenue	865-2294
Hythe	10026 - 101 Avenue	356-3823
Innisfail	4962 - 50 Street	227-3350
Killiam	5001 - 50 Street	385-3751
Lac La Biche	10111 - 102 Avenue	623-4446
Lacombe	5102 - 50 Avenue	782-3550
La Créte	Main Street	928-3777
Lamont	5130 - 50 Avenue	895-2261
Leduc	4809A - 50 Avenue	986-2226
Lethbridge, Main	601 Mayor Magrath Drive	382-4388
Lethbridge 6th Street	319 - 6th Street S.	381-5431
Lethbridge PSC	Suite 101, 1112 - 2nd A. Avenue	380-6686
Linden	104 Central Avenue E.	546-3993
Lloydminster	5008 - 49 Street	875-8901
Magrath	82 - 1st Avenue S.W.	758-3345
Manning	10024 - 101 Avenue	836-3301
Mayerthorpe	4910 - 50 Street	786-2207
McLennan	1st Avenue & Centre Street	324-3975
Medicine Hat 2nd Street	536 - 2nd Street S.E.	529-3601
Medicine Hat Carry Drive	1 Carry Drive Plaza 93 Carry Drive S.E.	529-3106
Milk River	140 Main Street N.E.	647-3532
Nanton	2202 - 20 Street	646-2207
Okotoks	41 Elizabeth Street	938-7232
Olds	4901 - 50 Avenue	556-3232
Onoway	4809 - 50 Street	967-2201
Oyen	200 Main Street	664-3553
Peace River	9911 - 100 Avenue	624-6174
Picture Butte	330 Highway Avenue	732-5611
Pincher Creek	769 Main Street	627-3304
Ponoka	5110 - 49 Avenue	783-3301
Provost	5013 - 50 Street	753-2247

Raymond	69A - Broadway Street N.	752-4511
Red Deer Main	100, 4911 - 51 Street	340-5130
Red Deer Riverside	4919 - 59 Street	340-5384
Redwater	4832 - 50 Avenue	942-4545
Rimbey	5037 - 50 Avenue	843-2291
Rocky Mountain House	4912 - 50 Avenue	845-2811
Rycroft	4635 - 50 Street	765-3624
Ryley	5101 - 50 Street	663-3513
St. Albert	1504 Tudor Glen Market Gervais Road & St. Albert Trail	459-1221
St. Paul	4801 - 50 Avenue	645-4406
Sherwood Park Main	2001 Sherwood Drive	464-4444
Sherwood Park Wye Garden	1, 99 Wye Road	449-3636
Sherwood PSC	200, 222 Base Line Road	464-2217
Slave Lake	301 Main Street	849-3911
Smoky Lake	50 Wheatland Avenue	656-3833
Spirit River	4518 - 50 Street	864-3650
Spruce Grove	250 King Street	962-6000
Stettler	5007 - 50 Street	742-4466
Stony Plain	5014 - 50 Street	963-2214
Strathmore	137 - 2nd Avenue	934-5293
Sundre	304 Main Street W.	638-4312
Taber	5317 - 48 Avenue	223-8941
Thorsby	4816 - 50 Street	789-3885
Three Hills	211 Main Street	443-5571
Tofield	5120 - 50 Street	662-3773
Trochu	201 Main Street	442-4200
Two Hills	5002 - 50 Avenue S.	657-3391
Valleyview	4957 - 50 Avenue	524-3965
Vegreville	4931 - 50 Street	632-2340
Vermillion	5014 - 50 Avenue	853-5293
Viking	5211 - 50 Street	336-3209
Vulcan	212 Centre Street	485-2271
Wainwright	509 Main Street	842-3355
Westlock	10532 - 100 Avenue	349-4481
Wetaskiwin	5202 - 50 Avenue	352-7300
Whitecourt	5117 - 50 Street	778-2442
Wildwood	5115 - 50 Street	325-3837

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6th Floor, 9940 - 106 Street
Edmonton, Alberta T5K 2P6
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Calgary
5th Floor, 999 - 8 Street S.W.
Calgary, Alberta T2R 1J5
Phone: 297-6284

Camrose
5005 - 49 Street
Camrose, Alberta T4V 1N5
Phone: 679-1235

Edson
Room 204, Provincial Building
111 - 54 Street
Edson, Alberta T7E 1T2
Phone: 723-8229

Grande Prairie
Room 1401, Provincial Building
10320 - 99 Street
Grande Prairie, Alberta T8V 6J4
Phone: 538-5230

Lethbridge
416 Stafford Drive S.
Lethbridge, Alberta T1J 4C7
Phone: 381-5414

Medicine Hat
Room 109, Provincial Building
346 - 3 Street S.E.
Medicine Hat, Alberta T1A 0G7
Phone: 529-3630

Peace River
Bag 900, Box 3, 10122 - 100 Street
River Drive Mall
Peace River, Alberta T8S 1T4
Phone: 624-6113

Red Deer
3rd Floor, Provincial Building
4920 - 51 Street
Red Deer, Alberta T4N 6K8
Phone: 340-5300

St. Paul
Room 412, Provincial Building
5025 - 49 Avenue
St. Paul, Alberta T0A 3A4
Phone: 645-6358

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Phone: 422-9494

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Phone: 1-800-272-9675

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Published jointly by Alberta Economic Development and Tourism and Alberta Treasury Branches

Printed in Canada 1993